Many of the defects that you have pointed out can be remedied only by a change of mentality in the people, as you yourself would concede. For instance, you said that members who take loans from these co-operative societies have very often no mind to repay the debts. In the same way, you said that arbitrators to whom cases are sent for decision keep the cases for a long time and then say they have no time. There are also a few other defects which, you pointed out, can all be traced to the same source. These are matters in which, as you yourself have conceded, and as everybody will concede, Government cannot directly do anything. All that we can hope is that, as people become more and more convinced of the advantages of co-operation and become imbued with the real spirit of co-operation, these defects will vanish of themselves. You compared the position in Travancore with the position in British India, especially with regard to audit and supervision, and also the training of the supervising staff. I understand that, in British India, schools and other institutions for training co-operative Inspectors and Supervisors came into existence after they had experience of co-operative work for 20 years. Again in British India, each society has to pay some fees for having their accounts audited; whereas here, as you yourself know, by a section in the Regulation this audit and supervision of accounts has to be done gratis. These are certain circumstances which make the position more understandable. As it is, Government are not unaware of the fact.

Then you pointed out that the supervision is not as effective as it can be. It is because of that circumstance that Government have this year added four Inspectors and a few clerks to the already existing supervising staff of the department. You will agree that it may not be possible for Government all at once to have a large number of officers appointed for this purpose. It can be done only gradually. But I may assure you that the interests of co-operation will neither be ignored nor neglected by the Government.

40. Economic Depression.

Mr. N. K. PADMANABHA PILLAI (*Neyyattinkara taluk, Group I*) speaking in Malayalam referred to the great economic depression that prevailed in the country and welcomed the appointment of the two committees mentioned in the Dewan's opening address, one to investigate and report about the present trade depression and the second to enquire into the condition of the factory industries in the State. The member said that Government should not wait for the committees to submit their reports, but should even in the meantime do all in their power to relieve the people from the hardships suffered by them as a result of the present situation. He made the following suggestions in this behalf :—

1. The additional allotment of Rs. one and a half lakhs for agricultural loans was not sufficient. At least Rs. 5 lakhs should be additionally provided for the purpose during the current year. Government should also see that *bona fide* agriculturists get the benefit of

the loans. In each taluk the work of disbursing the loans should be entrusted to a small committee, consisting of two non-officials and the local Tahsildar. The loans should not ordinarily exceed Rs. 500 or Rs. 1,000 and they should be made repayable, with a nominal interest of 4 or 5 per cent., within a period ranging from 15 to 20 years.

2. The prices of the indigenous products of the country were going down. To remedy this, Trade Agents should be appointed in important commercial centres to find out markets for local products, as is done by the British Government and by the sister State of Mysore.

3. New public works should be taken up and executed with a view to relieve unemployment. The policy of Government in suspending works already provided for in the budget, on the plea of want of funds, was not at all desirable.

4. Better attention should be bestowed to make the Agricultural Department of the State of more practical use to the people. The amount now spent on the department, which is not even ·75 per cent. of the State revenue, was quite insufficient.

5. The working of the Industries Department should be improved and it should be made more useful to the people. Cottage industries, such as weaving, should be encouraged.

6. Special attention should be bestowed on an equitable and proper administration of the State finances. All unnecessary appointments should be abolished. The pay of the high-paid officers should be reduced.

7. Immediate action should be taken on the lines of the recommendations made by the Banking Enquiry Committee.

41. Economic Depression.

MR. S. MATHEVAN PILLAI (*Trivandrum taluk, Group II*) speaking in Malayalam referred to the economic depression of the country and the conseqent poverty of the agriculturists who formed the major portion of the population of the State. Owing to the fall in the price of pepper, cocoanut, tapioca and other local products, the income of the agriculturists had been very much lowered. The population of the State was also increasing by rapid bounds, the increase being not less than one lakh every year. The rice and paddy imported from foreign countries were made available to the people only after a large amount under profit was shared by the dealers both inside and outside the State. With a view to remedy this evil, the Government should take up the business of exports and imports. The Government should purchase the local products at a tariff rate and should send them to foreign markets for sale. Similarly, they should import the necessary quantity of rice, paddy and other food-stuffs required for local consumption and sell them to the people with a small profit.